

Hong Kong Business Update

A Biweekly Publication of Commercial Opportunities



December 22, 2003

Inside This Issue

- * *Asian Aerospace 2004 in Singapore*
- * *Major Asian Food and Hospitality Trade Shows in 2004*
- * *Cheerway Seeks U.S. Hemlock Logs*
- * *International Information and Communications Technology*
- * *Featured U.S. Exporter*
- * *CD-Rom on Hong Kong*
- * *Dates for Upcoming Trade Shows in Hong Kong*

INTRODUCTION:

This free, biweekly, e-mail service is compiled and published by the Commercial Service, U.S. Consulate General Hong Kong. It is designed to provide U.S. companies, government officials and other interested parties with information about the latest business developments and commercial opportunities in Hong Kong. For further information regarding any items in the Hong Kong Business Update, please send an email to the individual specialists listed below.

1. ASIAN AEROSPACE 2004 IN SINGAPORE, FEBRUARY 24-29, 2004

Introducing Asia Now

Expanding your exports to the rapidly growing markets of the Asia Pacific region? Trying to choose the best market for your products? The U.S. Department of Commerce has just made it a whole lot easier with a new program, launched in March 2003, called “**Asia Now**”. The key objective of “Asia Now” is to increase U.S. exports to Asia through assisting U.S. companies to approach the Asia market on a regional basis and by encouraging U.S. firms already exporting to one or more Asian markets into additional Asian markets.

To accomplish the “Asia Now” objective, the program has three broad-based strategies: Regional market briefs; ShowTime one-on-one counseling with sector specialists from various Asian markets at one venue; and meetings with buyers from all over Asia at one venue. Please visit our website at www.buyusa.gov/asianow.

The next Asia Now event is the Asian Aerospace Show in Singapore. It is one of the world’s premier aerospace and defense technology events. Encompassing all civil and military sectors of

the international aerospace industry, Asian Aerospace is the foremost platform for companies to showcase their products and services in the Asia-Pacific. In 2002, the show attracted 747 exhibitors and 23,433 visitors from over 70 different countries.

The U.S. Department of Commerce is providing several types of service to U.S. companies at the Asian Aerospace 2004 exhibition in Singapore, February 24-29. For example, the [Aerospace Executive Service](#) affords lower-cost access to small and medium-sized businesses by allowing them to participate in Asia's largest aerospace exhibition without taking on the enormous expense of purchasing and staffing booth space. The [Aerospace Product Literature Center](#) is an effective alternative to a full trade show exhibit at a fraction of the cost. For [more information](#), please contact Elanna Tam at elanna.tam@mail.doc.gov.

2. MAJOR ASIAN FOOD AND HOSPITALITY TRADE SHOWS IN 2004

U.S. food and food service equipment suppliers interested in the Asian market may consider exhibiting or participating in one of two major Asian food and hospitality trade shows, which will take place in early 2004. They are HOFEX in Hong Kong organized by Hong Kong Exhibition Services and FHA in Singapore organized by Singapore Exhibition Services. Both organizers are members of AllWorld Exhibitions. HOFEX was originally scheduled for May 2003 and has been postponed to February 10-13, 2004 owing to the SARS outbreak. The dates for NHA are April 20-23, 2004.

HOFEX and NHA are both supported by the U.S. government – U.S. Department of Agriculture endorsed HOFEX whereas U.S. Department of Commerce certified FHA. The Asian market for hospitality equipment and quality food and beverage is growing and U.S. Commercial Service in Hong Kong encourages U.S. hospitality industry-related exporters to consider participating or exhibiting in one of these shows. Please contact Alice Chen of Hong Kong Exhibition Service via e-mail alice@hkesallworld.com for additional information on HOFEX and Shin Chew of Singapore Exhibition Services via e-mail shin@sesallworld.com for details on FHA. For more information, please contact Olevia Yim at olevia.yim@mail.doc.gov.

3. CHEERWAY SEEKS U.S. HEMLOCK LOGS

Cheerway, based in Hong Kong specializes in the timber business, Cheerway is looking for hemlock logs with the following specifications:

Commodity	: Hemlock Logs (Prefer a softer type)
Quantity	: 20,000 to 30,000 cubic meters
Diameter	: 12 " & up (30 cm & up)
Length	: 39' & longer (12 meters & longer)
Quality	: Grade No 2 Saw log for lumber on construction usage.
Scaling	: Scribner measurement.
Shipment	: January 2004.
Destination	: Yantai, Shandong, China.
Price	: Please offer C&F Yantai, Shandong, China.

Cheerway had been doing business in China since 1985. They specialize in timber products ranging from logs, lumber, veneer, panel, flooring. Cheerway has a joint venture company in China producing rotary and slicing veneer, and also produce reconstitute veneer and lumber.

Interested U.S. companies please respond directly to Mr. Phoa Budiman, Managing Director Cheerway International Limited, at Tel : (852) 2392-9198 Fax : (852) 295-5931 or email: cheerway@netvigator.com. Please copy your initial response to Elanna Tam, Commercial Specialist at Elanna.tam@mail.doc.gov or contact her at tel: (852) 2521-5950, fax: (852) 2845-9800 for assistance.

4. INTERNATIONAL INFORMATION AND COMMUNICATIONS TECHNOLOGY EXPO, APRIL 14-17, 2004

The Commercial Service and the Hong Kong Trade Development Council invite U.S. Information and Communications Technology companies to exhibit at the International Information and Communications Technology Expo (International ICT Expo) in April 2004.

International ICT Expo Highlights

The Expo will take place in conjunction with the Hong Kong Electronics Fair allowing international buyers to attend both events on the same trip

Buyer delegations recruited from China, including government officials and manufacturing executives

The 2003 event featured 407 exhibitors and over 35,000 trade visitors

About the Hong Kong IT Industry

Hong Kong is a trading hub for Asia with a 30 billion dollar market for IT products and services. Its regional appeal is underpinned by Hong Kong's advanced infrastructure, a skilled and creative ICT sector, and a unique economic relationship with the Chinese mainland.

Special Incentive Package for U.S. Exhibitors

Sign-up by January 31, 2004 to take advantage of this special offer!

- Complimentary 4 nights accommodation during the Expo
- Booth costs starting at US\$709

Participation in side activities including networking events, science park visits, Hong Kong Cyberport or Southern China tour. U.S. delegation led by U.S. Department of Commerce, Commercial Service trade specialist. If you have any questions, please contact Fanny Chau at fanny.chau@mail.doc.gov.

5. FEATURED U.S. EXPORTER

**“A year ago China was a dream now we’re there for the long term”
Too Good to be true – A common expression by CS Service users!**

Hong Kong is the most important entrepot for the Chinese mainland – a statement that Evac Environmental Solutions (Envirovac Inc.) couldn’t agree with more. Through the help of the U.S. Commercial Service (CS) Hong Kong, the Illinois vacuum waste system manufacturer entered the China market with projected sales of USD50 million over the next 20 years.

It all began in November 2001, when Paul Fuhrmann, Director of Asia/Pacific Business Development, contacted CS Hong Kong for export assistance. At the time, the company was seeking aviation trading companies and end-users for the Hong Kong and China market.

CS Hong Kong, part of the U.S. Department of Commerce’s worldwide network of overseas and U.S. offices, maintains close contact with local companies and quickly identified several appropriate potential partners for Envirovac. Among them was V-Mark, a leading Hong Kong aviation trading company. Commercial Specialist Elanna Tam realized that V-Mark had the right profile and record to partner with Envirovac Inc. and made the match. In a short time, V-Mark was promoting Envirovac’s system to Shenzhen Airlines, a China-based airline. This partnership brought home results: in April 2003, Shenzhen Airlines specified Envirovac's system for its purchase of ten 737-900 aircraft.

V-Mark also promoted Evac’s vacuum waste system to AVIC I Commercial Aircraft Company, one of the main China aircraft manufacturers. This past September, AVIC I selected the Evac potable water and vacuum waste systems to install in all of its ARJ21 aircraft. V-Mark also assisted Evac in winning business with Air China and China Southwest Airlines.

Evac has been designing and manufacturing vacuum waste systems for aircraft and business jets since 1987. All Boeing Commercial aircraft models use Evac toilets. Other Evac business areas are responsible for vacuum waste transportation, collection, and processing for marine, train, and land-based application.

“I truly appreciate the assistance from the U.S. Commercial Service, as V-Mark has turned out to be one of our top representatives,” comments Paul Fuhrmann. “Although we already had a considerable amount of business in Hong Kong, V-Mark has helped us expand our business in China. A year ago China was a dream; now we are there for the long term”. He added that the company expects the new sales to be worth approximately \$50 million over the next 20 years, depending on actual aircraft sales.

Although Hong Kong only has a population of 7 million, it serves as a regional hub for the Asia Pacific. Barry Friedman, Senior Commercial Officer in Hong Kong, points out, “Hong Kong plays a pivotal role as the gateway for U.S. small and medium-size enterprises to enter China.” According to Friedman, “Hong Kong people speak the language of the Mainland and share the same culture. But they also have a business and legal system that’s just like ours. And, for a

company like Evac Environmental Solutions, operating from a base in Hong Kong makes the most sense.”

The Commercial Service Hong Kong provides a number of services to U.S. companies, including up-to-date market information, finding agents/distributors and arranging business appointments. If you are interested in exploring market opportunities in Hong Kong, please contact your nearest Export Assistance Center or visit the CS Hong Kong website at www.buyusa.gov/hongkong for more information.

6. CD-ROM ON HONG KONG

U.S. Commercial Service Hong Kong has released a CD, titled “Hong Kong: Commercial Guide for U.S. Companies”, for U.S. companies who are interested in learning more about Hong Kong. The CD (which includes 3 videos and 2 written reports) provides background information on Hong Kong’s political and business environments, and most importantly, on how to use Hong Kong as a gateway to sell into Mainland China. If you are interested in the CD, please feel free to contact Ms. Fanny Chau at email: fanny.chau@mail.doc.gov.

7. DATES FOR UPCOMING TRADE SHOWS IN HONG KONG

The following trade shows will be held at the Hong Kong Convention & Exhibition Center. For more information, please contact our commercial specialists.

- HOFEX, February 10-13, 2004
Olevia Yim at olevia.yim@mail.doc.gov.
- Hong Kong International Jewellery Show, March 2-5, 2004
Swee-keng Cheong at swee-keng.cheong@mail.doc.gov.
- International Information and Communications Technology Expo, April 14-17, 2004
Fanny Chau at fanny.chau@mail.doc.gov.

INTERNATIONAL COPYRIGHT, U.S. COMMERCIAL SERVICE, 2003. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.